



# Revenue Interim Committee

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## 69th Montana Legislature

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JOLANDA SONGER, Secretary

February 20, 2026

TO: Revenue Interim Committee  
FROM: Jaret Coles, Staff Attorney  
RE: Committee Rule Review

Department of Revenue and Montana Tax Appeal Board notices can be found on the Secretary of State's website at <http://www.mtrules.org>. Click on the Montana Administrative Register icon to find all of the issues of the Montana Administrative Register.

## Department of Revenue

### Notice of Proposed Rules:

Property Taxation -- Application Criteria and Updated Department Processes for Nonproductive Patented Mining Claims. MAR 2026-448.1. A public hearing was held on February 17, 2026, and the public comment period ends February 24, 2026. The Department proposes to amend one. The proposed amendment updates the process to apply for nonproductive mining claim classification as well as referencing the 30-day statutory deadline to submit the application for the first year of the valuation cycle as provided in section 15-7-102(3)(a)(ii), MCA. If an applicant does not apply in time during the first year of the valuation cycle, the proposed rule provides for a deadline of March 1 of the second year of the valuation cycle.

Tax Administration – Electronic Payments – Senate Bill No. 54 (2025). MAR 2026-476.1. A public hearing is not contemplated, and the public comment period ends February 23, 2026. The Department proposes to amend one rule and repeal one rule. The proposed amendment updates the rule to require a taxpayer with a tax liability of \$50,000 or more to make a payment using electronic funds transfer. The amount was \$500,000 before [Senate Bill No. 54](#) changed it to \$50,000. The amendment provides an option for a taxpayer to request an alternative payment method when electronic fund transfers are not available to the taxpayer. The proposed repeal deletes a rule that allowed for alternative payments in an emergency given that the proposed amendment has a procedure for alternative payments.

## **Notice of Adopted Rules:**

Amendment of Tobacco-Related Rules to Provide or Revise Definitions -- Tobacco Manufacturer Requirements and Department Processes. MAR 2025-86.1. Adopted January 23, 2026. A public hearing was held, public comments were received, and the Department amended three rules as proposed. The adopted rule provides a definition of “characterizing nontobacco flavor”, which supplements a statutory definition for “premium cigar”. The impact is that cigars with flavors, including but not limited to grape, strawberry, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, coffee, mint, rosemary, coriander, menthol, herb, and spice do not qualify as premium cigars. Section 16-11-111(7), MCA, provides that the tax on a premium cigar is the lesser of 50% of the wholesale price or 35 cents a premium cigar.

## **Montana Tax Appeal Board**

### **Notice of Proposed Rules:**

None.

### **Notice of Adopted Rules:**

None.